

**MOTION BY SUPERVISORS MARK RIDLEY-THOMAS
AND ZEV YAROSLAVSKY**

October 23, 2012

\$11 MILLION TO SUPPORT AFFORDABLE HOUSING DEVELOPMENT

The County of Los Angeles has received millions of dollars in net increased revenue as a result of the dissolution of redevelopment agencies throughout California. In the Supplemental Budget proceedings, the Board of Supervisors (Board) recognized \$88 Million as one-time revenue and placed this amount into reserves. Additional funding is expected this fall as Oversight Boards are finalizing the third round of Recognized Operation Payments Schedules. Given remaining uncertainties in the dissolution process, the Board's directive to hold these revenues in reserve is wise.

However, the Board has also demonstrated an interest in continuing to promote the fundamental initiatives made possible through redevelopment, namely, affordable housing and economic development. Last January, the Board directed the Community Development Commission (CDC) and the Chief Executive Office to develop an Affordable Housing and Economic Development Framework. Through this process, a recommendation was made to move forward with an \$11 Million "Notice of Funding Availability" which would allow for the creation of approximately 176 additional units of affordable housing.

The CDC has a strong track record of facilitating a quality affordable housing procurement process, which has resulted in the development of over 10,270 units for low-income and special needs populations. However, the need for additional affordable housing units countywide persists. Over 50,000 homeless individuals continue to live on the streets in Los Angeles County on any given night; the majority of which have an untreated special need such as a mental illness or disability.

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In addition, 40% of the County's population can't afford the typical \$1,447 rent for a two-bedroom apartment without paying more than 30% of their income for rent.

Despite decreased federal revenue for affordable housing over the past few years, the Board has taken a proactive and compassionate stance to support the creation of additional affordable housing. In order for the Board to continue with a committed, uninterrupted and comprehensive approach to supporting affordable housing development, it is appropriate to proceed with another procurement round for affordable housing projects. Allocating \$11 Million now will allow the Housing Authority to secure proposals to develop approximately 176 units and maintain staff to oversee the procurement and administrative process. In addition, beginning this process immediately will allow awarded projects to optimize their chances of successfully receiving tax credits during the next application cycle, scheduled for March 2013.

The \$88 Million in increased revenue recognized by the Board includes funds that were effectively taken from CDC as part of the redevelopment dissolution process. Before the County recognizes a net gain from the end of redevelopment, we should first fill the hole in the CDC budget that was directly created by the end of redevelopment. To that end, the County should transfer \$11 Million of these one-time revenues from reserves to the CDC in order to fund the Affordable Housing Framework.

Making this small shift will help defer layoffs at the CDC, provide much needed funding for affordable housing throughout the County, and ensure that the money described as a "net increase" is truly that: a net increase in revenue, rather than a shift of funds from the CDC to the County's reserve budget.

WE THEREFORE MOVE THAT THE BOARD OF SUPERVISORS:

Direct the Chief Executive Officer to transfer \$11 Million from the Assignment for Budgetary Uncertainties to the Los Angeles County Community Development Commission in order to fund the Affordable Housing framework created by the CDC in response to the motion approved by the Board of Supervisors at its January 17, 2012 meeting; and

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**WE FURTHER MOVE THAT THE BOARD OF SUPERVISORS, ACTING AS
THE BOARD OF COMMISSIONERS OF THE COMMUNITY DEVELOPMENT
COMMISSION OF THE COUNTY OF LOS ANGELES:**

Direct the Executive Director of the Community Development Commission to proceed immediately with the release of a Notice of Funding Availability to support the development of affordable housing projects throughout the County of Los Angeles, with half of the funds being allocated for homeless-special needs populations.

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